



Governor's Recommended Budget Adjustments 2016-17

New Positions for Office of State Human Resources (OSHR)

The 2015 Appropriations Act (S.L. 2015-241):

- Authorized the transfer of 3 positions to OSHR from The Department of Administration (DOA) for workers compensation, but the positions were unfunded so the positions did not transfer.
 - Governor's 2016-17 budget proposal includes the following:
 - 3 positions for Workers Compensation
 - 1 position for Health and Safety (Addressing workplace safety is essential to reducing claims)
- Allocated a \$2 million Worker's Compensation Settlement Reserve Fund for OSHR to use with assisting agencies in settling 36 claims, yielding \$24 million in future cost avoidance.
- Established OSHR as business owner of the state's Safety, Health and Workers' Compensation Programs.

Purpose of New Positions:

- Help close more workers' compensation claims
- Implement a more efficient and focused statewide safety program and workers' compensation claims management process
- Ensure vendors comply with accountability clauses and performance metrics
- Advise agencies and assist in identifying claims that, if settled, will generate substantial potential future cost savings and reduce long-term liabilities
- Address abuse and potential fraud
(Includes enhanced management of claims, increased training and fraud awareness; since 2013, surveillance has been conducted in over 320 cases.)

New Third-Party Provider:

- New contract will save the state \$1.7 million per year over the next three years, amounting to \$5.1 million in total savings.